GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:219
ANSWERED ON:04.08.2015
Hiring of Godowns
Giluwa Shri Laxman;Laguri Smt. Sakuntala

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Food Corporation of India (FCI) hires godowns on rent for storage of foodgrains procured by them, if so, the details thereof including the number of godowns hired along with its capacity and funds incurred for the purpose during each of the last three years and the current year;

(b) whether instances of irregularities have been detected in capacity utilisation, fixation and payment of rent in respect of hired godowns and if so, the details of such cases reported during the said period;

(c) the mechanism put in place to monitor usage of hired godowns and payment of rent etc., and the other corrective measures taken to check such
irregularities;

(d) the number and capacity utilisation of owned godowns during peak and off season separately during the above period; and

(e) whether any cost-benefit analysis of owned and hired godowns has been undertaken and if so, the details thereof along with the rationale/justification for hiring of godowns?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (e): A Statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE STARRED QUESTION NO.219 DUE FOR ANSWER ON 4th AUGUST, 2015 IN THE LOK SABHA

(a): Yes, Madam. FCI hires godowns on rent for storage of procured foodgrains. As on 30.06.2015, FCI has hired 1371 godowns of total capacity 219.58 Lakh MT. The details for last three years and the current year are given as below:-

Year (As on end of the year)	Number of Hired Godowns	Capacity of Hired godowns (in Lakh MT)	Expenditure incurred/ Rent Paid (in crore Rs.)
2012-13	1433	221.02	1469.87
2013-14	1418	212.49	2026.61
2014-15	1273	203.45	2229.45*
2015-16	1371	219.58	N.A#

* Figures pertaining to the year 2014-15 are as per unaudited & provisional data available on 29.07.2015.
# Figures as on 30-06-2015, expenditure is compiled at the end of the financial year.

(b): Only one case of irregularity in hiring of private godown and utilization of own godown has been reported in the above said period. This was reported for Food Storage Depot, Viramgam, Ahmedabad during 2013. Preliminary inquiry has been completed and disciplinary action initiated against Shri K N Mallick, the then GM(Gujarat). Further, show cause notices have been issued to the then Area Manager, Ahmedabad, AGM (Movement) & Manager (Movement), Regional Office, Ahmedabad.

(c): Suitable checks and balances are in place in FCI such as e-tendering, internal audit, CAG audit and vigilance action to ensure hiring of godowns from private parties in a transparent and cost effective manner. Hiring is done by floating open tender enquiry from the lowest bidders. Monitoring and review of usage of godowns is carried out every month at Regional/Zonal/ Headquarter level. IT based systems namely IISFM (Integrated Information System for Foodgrains Management) and IRRS (IISFM Rapid Reporting System) are being used for this purpose.

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(d): The peak season is during the month of June in Rabi Marketing Season and the off season is during the month of December. The number and capacity utilization of FCI's owned godowns during these months for last three years and current year are given below:-

Year	No. of Owned Godown	Capacity of owned Godowns (in Lakh MT)	Utilization % Peak Season (June)	Utilization % Off Season (December)
2012	539	130	91	70
2013	540	129	77	55
2014	541	130	69	50
2015	541	127	73	-

(e) : No formal study has been done for comparing the cost/benefit of owned and hired godowns. However, godowns are hired when owned capacity is not sufficient. Hired capacity is flexible to operate and can be de-hired when it is not required.